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Classified by Consul General John Kincannon for reasons 1.4  
(b) and (d).

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A Few American Families Moving Back to Jubail  
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¶1. (C/NF) In the course of a day trip to Jubail on May 28, the CG learned that Bechtel, which has the management contract for Jubail, has decided to allow families of its expatriate workers to return. As a result, there will be forty new American children joining school in Jubail in the fall. According to Doug Holroyd, an Exxon-Mobil employee seconded to Kemya, a SABIC-Exxon-Mobil joint venture, no other major multinational company in Jubail was planning to follow Bechtel's lead. "We have a few more years to go on this (the terrorism situation in Saudi Arabia) yet," he said, registering his disagreement with Bechtel's decision.

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A Move to Cost-Plus Contracts?  
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¶2. (SBU) Khalid Al-Zamil, the leading strategist of the large Al-Zamil conglomerate, told the CG on March 24 that Saudi Aramco and SABIC were becoming more open to the idea of cost-plus contracts. This move would benefit U.S. engineering firms, which generally prefer to bid on cost-plus contracts rather than lump-sum, turnkey contracts where the contractor assumes market risk. Al-Zamil attributed Aramco and SABIC's change of heart to the increasing difficulty they were having in finding contractors for their mega-projects: "There are only a handful of really elite firms with the ability to manage these projects, and I'm optimistic that Aramco and SABIC will make the necessary adjustments to get the firms they want." Al-Zamil made these remarks to the CG at a lunch he was hosting for the CEO of Jacobs Engineering, who was spending 4 days in Abu Dhabi and the Eastern Province to strategize on how to expand Jacobs's presence in the Gulf.

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Gains for Women at Aramco  
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¶3. (SBU) Wajeha Al-Huwaider, one of post's human rights contacts and a Saudi Aramco employee, said that Aramco will include females in its scholarship program for the first time

this coming year. Under this program, Aramco offers selected Saudi high school graduates a year of intensive academic and cultural training in Saudi Arabia and then places them for undergraduate study, generally in technical subjects, in schools in the U.S. and other countries, including China. Including females in this program will ultimately produce a cadre of trained female Saudi engineers for employment at Aramco. (Note: To date, PolOff has met one Saudi female working as a petroleum engineer, yet her academic training was in architecture; PolOff has also met only one expatriate female engineer at Aramco. End note.) Al-Huwaider was jubilant: "This (training of female Saudis to be engineers) was one of the ten requests we (a group of female Aramco employees) submitted to the CEO last summer. I am so happy for our young women."

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The Emirate Flexes Its Muscles Against Civil Society  
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¶4. (C) According to a contact in Qatif, the president of the Qatif-based Astronomy Society recently received a letter from the EP Emirate advising him that in the future he must ask permission for foreigners to visit the society. PAO visited the society several months ago as part of a series of visits ConOffs made to EP civil society organizations. Rasid News Network, a Shi'a community website that is almost certainly monitored by the Saudi government, carried a story about her visit that spawned an Internet discussion, among other things, about the lack of opportunities for Saudi women in the Saudi diplomatic service. As reported in Riyadh 3301, unregistered civil society organizations are becoming more active in the EP and continue to push against the boundaries of the permissible. Our interpretation is that the Emirate wanted to send a message reminding these organizations that the SAG will shut them down if they cross certain lines. According to our contact, the Astronomy Society's president shrugged the letter off.

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The NSHR Begins To Make Noise in the EP  
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¶5. (SBU) Al-Youm, the local EP daily, recently carried a story on a trip made by the EP branch of the National Society for Human Rights (NSHR) to a prison in Al-Ahsa. Abduljaleel Al-Saif, Majlis Al-Shura member and chairman of the EP branch of the NSHR, made a statement to the press after the visit detailing the extensive problems discovered by the NSHR. These problems included overcrowding, incarceration of some inmates three or more years without trial, and the lack of segregation of prisoners according to type of crime. While it remains to be seen if the NSHR's involvement will alleviate any of these problems, Al-Saif's statement, and the fact that Al-Youm would carry an article reporting it, show a healthy connection between the press and the human rights NGO. Aliya Al-Fareed, a member of the EP branch of the NSHR, offered a different perspective on the visit. Reflecting on her brief incarceration in Saudi prisons in the mid-1980s, she observed laughingly to PAO that, despite the problems, "conditions now (for female prisoners) are so much better there's almost no comparison."

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What To Do With All The Money?  
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¶6. (C) At a recent lunch he hosted for Consulate staff, Abdulwahhab Al-Babtain, one of four brothers who control a large, EP-based family conglomerate, spent the larger part of the meal discussing an enviable problem. "I have to make a difficult decision each morning - what should I do with the cash that accumulated the previous day?" His problem, he noted, was a micro-level reflection of a larger-scale problem for Saudi Arabia. "If oil prices stay high, the government is going to have the same problem on its hands. You can spend a year or two paying down the debt, you can invest in education and infrastructure, but there is only so much the country can absorb. What is the government's strategy over

the next ten years to deal with its liquidity?" Al-Babtain's somewhat eccentric proposal was to use the money to lift neighboring countries like Yemen and Somalia out of poverty and to act as a World-Bank equivalent for India, trading investment for influence. Al-Babtain mused that perhaps Saudi Arabia didn't need to keep raising its oil production: "Perhaps we will have enough money without doing that; it may be best just to leave that oil in the ground." Al-Babtain is not the only business magnate contemplating this issue. According to an article published in the April 24 edition of "Forbes," former Deputy Oil Minister Abdulrahman Al-Zamil, another scion of the powerful Al-Zamil commercial group, commented, "I would rather produce 9 million (barrels per day) at \$90 a barrel than 12 million at \$55 a barrel."

(APPROVED: KINCANNON)  
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